

San Antonio completes builder's trials



LPD 17 COMPLETES SEA TRIALS -- The U.S. Navy's newest amphibious ship, the future USS SAN ANTONIO (LPD 17), sailed from NGSS' Pascagoula shipyard last Friday morning for her initial builder's trials in the Gulf of Mexico. The magnificent new ship returned to the shipyard Tuesday morning, for resumption of ship completion and testing activities. Watch future editions of *The Centerline* and *The Shipbuilder* for additional coverage of the builder's trials, and of the efforts put into them by the shipbuilders of Northrop Grumman Ship Systems.



Northrop Grumman Reports Strong First Quarter Results

Letter dated April 29, 2005

To My Colleagues:

Today Northrop Grumman reported strong first quarter 2005 results following an excellent year in 2004, and I am extremely pleased with the operating and program performance that is continuing across our company. Earnings per share from continuing operations rose 69 percent, to \$1.08 per diluted share, up from \$0.64 per diluted share for the same period of 2004. The sale of TRW common stock increased our first quarter results by 12 cents per share. Sales for the first quarter of 2005 increased 4 percent, in line with our expectations, to \$7.5 billion from \$7.2 billion for the same period last year, and we ended the quarter with a very healthy \$60 billion total backlog--a record for our company.

Solid sales growth, higher operating profit from all of our business segments, and lower corporate and interest expense drove this quarter's strong financial performance. Cash from operations for the quarter was solid and supports our ongoing plan to invest for growth and distribute cash to shareholders. Importantly, we delivered results that support our outlook for the year, and I thank each of you who helped make that happen.

Looking forward, we are aware that we could face a slower rate of growth in defense spending in the years ahead. Since my letter to you in February, President Bush has submitted his 2006 defense budget to Congress, beginning a process that will be completed later this year. We are monitoring the process closely and are working

See Northrop Grumman... back page

Deadline is Friday, May 13

Engineering Designer Apprentice Program accepting applications

The Engineering Designer Apprentice Program is now accepting applications. The program is a three-year training program designed to prepare craft apprentices, designers and draftsmen for a career in design, leading to increased responsibility and rapid advancement.

Graduates of all craft apprentice programs, college graduates with an associate's degree in drafting and design or an engineering-related field, NGSS employees in non-exempt design classifications below Design Specialist currently working in the Engineering Department, and other NGSS employees

with an associate's degree in an engineering-related field, are eligible for this program.

Applicants must schedule a WorkKeys assessment by contacting Marty Perkins at 935-4789, or via email at perkins1@datasync.com before Friday, May 13. Deadline for completing WorkKeys evaluation process is Friday, May 13.

For further information, you may contact Pauline Goff, human resources generalist-Engineering, ext. 3813, or e-mail pauline.goff@ngc.com or Sheila Dailey, apprenticeship coordinator, ext. 4232, or e-mail sheila.dailey@ngc.com.

Joiner/Insulator apprentice program accepting applications

The Joiner/Insulator Regular Apprentice Program is now accepting applications at the Pascagoula Operations Site. Applicants must be a minimum of 18 years of age and must hold a High School Diploma or a State recognized General Equivalency Diploma (GED). Applicants must present proof of age, and their High School transcripts, or GED test scores when they complete their application at the Pascagoula employment office. College transcripts or vocational school transcripts or verifications may also be submitted in addition to High School and GED verification. All applications must be submitted no later than Friday, May 13, 2005.

SSMA SPRING GOLF TOURNAMENT

The SSMA will host the Spring Golf Tournament Saturday, May 14, at St. Andrew's Golf Course in Ocean Springs. Registration begins at 7:15 a.m. with a shotgun start at 8 a.m. The format is a four-person scramble in three flights, and is limited to 32 four-person teams.

Registration fee is \$40 for SSMA members and \$45 for non-members.

Cash prizes will be awarded for first, second, and third places, as well as for "closest to the pin" on selected par 3s and the longest drive for men and women. Breakfast and lunch provided. No personal coolers allowed.

To sign up, call Charlotte Moore, ext. 4972. For tournament information contact Kevin Jiminez, ext. 3818, or Norm Cannady, ext. 4237.



Alex Jackson, pump laborer

Mesa Verde Craftsman of the Week

The prospective commanding officer (PCO) of *Mesa Verde* (LPD 19), Cdr. Shawn Lobree, USN, has named Northrop Grumman Pump Laborer Alex Jackson as "Craftsman of the Week" for the week ending April 22, 2005. The "Craftsman of the Week" program was designed to recognize outstanding performance of a Northrop Grumman Ship Systems craftsman on a weekly basis.

"*Mesa Verde* thanks Alex Jackson for his hard work and exceptional effort," Lobree said. "He went the extra mile to keep the ship clean and ship-shape, particularly in his initiative in removing rain water after the storms. It goes a long way in keeping the ship in good condition during the construction process."

Jackson received the personal thanks of the PCO, as well as a ship's ballcap.

Prevention of Workplace Violence: A three-part series

Part Three: Summary

In the previous two parts of this series, we reviewed Northrop Grumman's policy regarding workplace violence and harassment. Northrop Grumman is strongly committed to maintaining a workplace free of verbal or material employee intimidation, harassment, threats of violence and acts of violence, and therefore follows a "zero tolerance" policy.

All employees are expected to treat and speak to each other with respect and professionalism, to maintain an environment without circumstances that create or result in abusive situations. This includes the prohibition of derogatory and inflammatory comments, including foul language intended to demean people, racial epithets, sexual harassment and threats of physical violence.

Likewise, company policy prohibits certain items from all Northrop Grumman facilities, including parking areas, work stations, tool boxes and personal artifacts. These items include illegal drugs or other controlled substances, alcoholic beverages, explosive and incendiary devices, weapons and ammunition, pornography, and con-

troversial or inappropriate racial or ethnic symbols. As a reminder, employees and their personal property or personal areas (such as vehicles, tool boxes and desks), are subject to random security checks by Security Department personnel.

Violation of established company policies regarding the above-mentioned materials and actions will result in disciplinary action appropriate to the circumstances of the violation, up to and including termination.

All employees share the responsibility for keeping Northrop Grumman facilities safe. It is everyone's responsibility to report any threats or acts of violence or intimidation you have witnessed, or been subject to, immediately to management, or the Security or Human Resources Departments. In addition, employees must advise management or the Security Department of any restraining orders that may affect Northrop Grumman premises. And finally, contact management or Human Resources to discuss any concerns regarding individuals who pose, or appear to pose, a potential threat.

Important contact numbers for NGSS

New Orleans Operations

Employee Relations: Kristen Barney (504) 436-5412
Labor Relations: Bruce Nunez (504) 436-5965 or 5364
EAP Coordinator: Marty Summers (504) 437-5384

Gulfport Operations

HR Generalist: Ray Howze (228) 604-7753
Labor Relations: James Moss (228) 604-7768

Pascagoula Operations

Employee Relations: Anita Logan (228) 935-4762
Labor Relations: Tony Skelton (228) 935-3120
EAP Coordinator: Pete' Harrell (228) 935-3065

Great Discounts Now Available to NGSS Employees

There is power in numbers, and as proof of that, our Human Resources Department has been hard at work leveraging the 19,000+ Northrop Grumman Ship Systems population, to gain advantages for employees in the consumer market. From necessities to entertainment packages, savings abound if you are a Northrop Grumman employee. Some of the specific businesses and organizations that now offer discounts to NGSS employees include automobile dealers such as GM, health clubs like Elmwood Fitness and cell phone carriers Verizon,

Sprint, and Cingular. Or, for entertainment and educational pursuits, take advantage of discounts at Barnes and Noble, Dell Computers, or varied levels of Audubon Institute membership packages that include the Zoo, Aquarium and Nature Center. Various individual programs will be highlighted in future Centerlines, but you can take advantage of these offers, and many more, right now. To learn about these deals, visit the intranet at http://ss.northgrum.com/ngss_intranet/index.aspx, or stop by your HR Department for a hard copy listing.

Job openings for May 9-13, 2005

Northrop Grumman Ship Systems employees may apply for the jobs listed below Monday through Friday, May 9-13. Applications for these jobs must be received in professional employment in Pascagoula or New Orleans by noon on Friday, May 13.

Dept	Job Title	Loc	LG	#
52	Engineer	Pasc	Level 2	1
52	Engineer SR	Pasc	Level 3	2
52	Engineering Specialist	Pasc	Level 4	2
62	Specialist Contract	Pasc	Level 3	1
67	Analyst Cost Price SR	Pasc	Level 3	1
73	Foreman Paint	NO	Band 1	2
73	Superintendent Pipe	Pasc	Band 3	1

These positions are online now and new ones are added daily.

Apply ONLINE via the Ship Systems Sector Intranet.

Click HR link. Click Careers. Click Search Current Openings. Now Apply. If you do not have access to a computer at work, all Internal and External applicants can apply via www.ss.northropgrumman.com/employment.cfm

MARKETPLACE

AUTOS/TRUCKS/TRAILERS/VANS

03 FORD RANGE EDGE SUPER CAB \$14000 475-5306
02 SATURN SL 44K MI \$5500 238-4744
02 GRAND MARQUIS LSE 24K MI \$15000 762-5322
01 PONTIAC GRAND AM SE MI \$7800 396-3885
01 GRAND PRIX GT 58K \$9800 392-5092
01 GMC LWB LEATHER 44K MI V8 MINT 251-454-8167
01 DODGE RAM TRUCK \$8900 818-0466
00 KIA SEPIA EXT WARRANTY PAYOFF 497-9661
00 HONDA ACCORD EX \$11500/OBO 497-1637
00 CHEVY 4X4 A/C V6 \$950000 588-1123
99 YUKON LOADED GOOD CON 100K \$11500 990-2839
99 IMPERIAL 40 RV 350 DIESEL PUSHER \$110K 588-3366
98 NISSAN MAXIMA \$3000 LOADED 588-2219 A/PM
96 GMC SWB AUTO 75K MI EXE CON \$6700 392-3502
96 DODGE GRAND CARAVAN LOADED \$50 218-9483
96 FORD RANGER \$3900 990-8421
95 TOYOTA CAMRY A/C AUTO \$3900 218-3430
95 PROBE GT \$2500/OBO 875-2279
95 E320 MERCEDES 1 OWNER LO MI 623-7990
93 OLDS CUTLASS V6 NEEDS BATTERY \$950 497-9432
92 TOYOTA LANDCRUISER EX CON MAKE OFFER 475-4612
92 LINCOLN TOWNCAR \$2000 369-0408
92 JEEP CHEROKEE 40L AUTO 4 DOOR \$2500 601-947-9489
92 GRAND AM NEEDS WORK \$500 588-3200
92 GEO STORM 30 MPG A/C AUTO \$1500 588-2237
91 FORD F150 XLT SC 106K 302 V8 \$2200 475-5306
90 SUBURBAN 3K \$1500 872-7059
91 TOYOTA CAMRY FOR PART 217-3821
87 CHEV G20 CUSTOM VAN \$1995 369-8733
87 EL CAMINO 350 V8 350 TRANS SHIFT KIT \$4500 826-5661
86 DODGE 150 V8 AUTO LWB \$1800 588-2237
85 CHEVY BLAZER GREAT CONDI \$1900/OBO 217-1223
84 FORD VAN E350 EXTRAS 617-3522
82 MERCEDES 380SL 85K MILES \$16000/OBO 588-3773
77 DODGE CREW CAB DUALY \$2200 475-7708
65 FORD E105 WINDOW DELUXE 238-5646
63 FORD THUNDERBIRD LOOKS GREAT \$8000 475-4823
TRAILER 4X8 W/LIGHTS \$375 769-7279
TRACTOR/E LOADER WORK 826-2316

ANIMALS

1/2 BOB CAT 1/2 HALF HOUSE CAT \$500 826-0305
5 YEAR OLD AQHA QUARTER HORSE MARE 474-0297
AKC YELLOW LABS 826-1286 PM
BEAGLES 1 FEMALE 2 MALES 588-3157
BEAGLES 1 FEMALE 2 MALES 588-3187
BLUE EYE HUSKY MALE NO PAPERS \$150 826-0305
CAKC LAB PUPPIES 219-3184
FOX TERRIER 1 YR \$50 392-5748
FREE PUPPIES & KITTENS TO A GOOD HOME 588-1144
MINIATURE POODLE PUPPY BLACK MALE \$300 396-1099
PIT BULL PUPPIES 6 WKS \$150 588-2320/990-3017
REG. LAB PUPPIES, WORMED AND 1ST SHOTS 497-5951

BOATS/MOTORS

00 COBIA 19' CC TT EXTRAS \$14700 251-660-8833
97 PROCRAFT PRO 185 150HP EXC EXTRAS \$9500 475-8713
16' FIBERGLASS BOAT MAGIC TILT TRAILER 872-0402
19' COBALT OPEN BOW 260 MERC YL TR \$4500 872-2897
21' SKI BOAT & TRAILER NO MOTOR \$1500 601-947-9489
23' SEA-OK W.A.C. & TRAILER \$2000 497-5762
78 ALUM CABIN CRUISER 28 FT 238-5646
93 HOLIDAYSPORTS 20' 200 JOHNINSON MOTOR \$9500 522-0792

FURNITURE/APPLIANCES

5 PIECE BEDROOM SUITE \$300 826-5019
ANTIQUE OAK DINING TABLE W/CHAIRS \$250 826-5019
BLACK METAL BUNK BEDS FULL/TWIN \$100 588-3773
EARLY 1900 UPRIGHT PIANO \$250 251-660-8833
FUTON BLACK METAL FULL SIZE \$75 601-947-7554
FUTON W/HI QUAL MATTRESS \$100 875-6365/297-6365
HUNTER GREN DLX BAKERS RACKET \$75 LK NEW 762-2389
KING SZ PILLOW TOP MATTRESS GOOD CON \$85 497-1375

PENNY LANE FLUJERETTE STYLE SOFAL 97XW44 \$400 832-6881
RECLINER \$100 826-5019
SOFA/CHAIR EXCELLENT CON \$150 696-8686
TAUPE STRIPED LEXINGTON COUCH \$250 218-3424

PROPERTY FOR SALE

1BR/1BA MOSS POINT AREA \$25000 623-2888
1BR/1BA 1304B JOE STREET 872-7200
2829 ACRES GEORGE CO 249-6256
3 INVESTMENT PROPERTIES GAUTIER 249-6256
3/2 1101 GUM ST OCEAN BEACH ESTATES 297-4750
3/BR 12X60 MOBILE HOME \$35000 217-3207
3BR/2BA GREAT ROOM GRAND BAY 762-7018
30+ ACRES IN VANCELEAVE 475-9741
3BR HOUSE 1 ACRE HWY 613N \$59000 LUCEDALE 588-2320
3BR/1.5BA GARAGE PASCAGOULA \$64500 769-1633
3BR/1-1/2BA KREOLE AREA \$35000 623-2888
3BR/2B 1450 SF HOME OCEAN SPRINGS 872-4941
3BR/2BA 2.25 ACRES ECSD \$140K 580-3139
3BR/2BA 87 16X80 MOB HOME \$8000 826-3839
3BR/2BA GREAT STARTER HOME \$54700/249-6256
3BR/2BA ISLE PINE TRAILER PARK \$3000 369-0408
3BR/2BA KREOLE AREA \$35000 623-2888
4BR/2BA 3 ACRES HURLEY 2750 S/G \$172000 588-0641
80 ACRES HELENA 475-9741
8X36 MOBILE HOME YOU MOVE 217-3207
3BR/2BA 2021 SQ FT NW HILLS GAUTIER \$134000 497-1058

PROPERTY FOR RENT

2BR/2BA \$300 DEP \$400 ISLE OF PINES GAUTIER 369-0408
3/BR 2/BA 5 ACRE GRAND BAY \$950/MO 251-633-6359
3/4BR/1BA 3204 HARRIS PAS \$500/MO 475-3773 A/6 PM
SHARE HOUSE IN PASC 369-8733

MISCELLANEOUS

(4)-P175/80 13" VERY GOOD CONDITION \$80 522-1836
76-81 PONTIAC FIREBIRD DOORS AND HOODS 762-2389
03 5TH WHEEL HITCH DOUBLE TILT \$250 826-1141 A/6 PM
2 12" MEMPHIS SUBS \$75 EA 251-654-1909
351 M 400 W/C6 TRANSMISSION RECEIPTS \$500 990-5928
3-TON INSIDE A/C UNIT WITH H/PUMP 497-2422
4-20" WHEELS AND TIRES \$700 588-3978
45 CAL MUZZLE LOADER H&R \$75 588-3157
4-GOODYEAR P265/70R17 TIRES \$50 872-2574
80LB PUNCHING BAG W/GLOVES \$65 6365/297-6365
93 20' CHAPARAL SL 205 LTD \$9250 623-2096
95 JEEP WRANGLER STOCK TIRES & WHEELS \$200 762-2389
95 JEEP WRANGLER WARE FRONT BUMPER \$75 762-2389
ADJUSTABLE EQU HITCH W/SWAY BARS \$250 990-5928
ALPINE 2CH. AMPLIFIER 60W MRV-1005 \$200 547-5513
SEALED BOX FOR TWO 12 INCH SUBS \$50 547-5513
52" PHILIPS BIG SCREEN TV \$700 547-5513
8 FLAT BUFFET CLARINET WOOD VENEER \$375 474-0076
BRAID STAND UP FISH FIGHTING HARNESS \$50 396-1371
CAMPER SHELL FIT LWB CHEVY \$150 475-7708
COINS SILVER & GOLD 818-9655 A/5 P.M.
COSCO TANDEM DOUBLE STROLLER \$60 588-0641
DOUGHBOY POOL 18" DIA X 48" H \$300 872-2574
DRESSES FLWR GIRL/BROSMID/PGT (2-18) 475-6873
ELEC WHEELCHAIR AND CAR LIFT \$2500 875-5066
ELECTRONIC BRAKE CONTROL \$50 990-5928
EXERCISE ROWING MACHINE \$25 601-947-7554
EXERCISE STEPPER \$150/OBO 497-1637
GOLF CLUBS TOP FLITE \$125 392-5748
INVACARE WHEELCHAIR W/CHARGER \$2000 762-8822 A/4 PM
LAWN MOWER \$50 872-4364
LITTLE TIKES TABLE W/CHAIRS \$10 217-1133
NORDIC TRACK PRO SKI MACH \$12500 826-4872
PARTING OUT 88 GRAND PRIX 28L TRANS PARTS 209-4053
PIONEER 1000W AMP \$250 251-654-1909
PLASTIC MOLDED WOOFER BOX \$100 762-2389
POLICE SCANNER 1000 CHANNEL \$100 218-3430
PUSH MOWER 3.5 HP BRIGGS/STRATTON \$100 769-7279
QUINCE TREES IN GAL POTS 601-947-3838

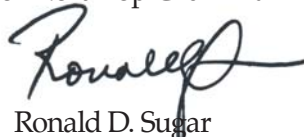
Northrop Grumman. . . cont. from front

to secure and retain appropriate funding for our programs. In the meantime, there appears to be minimal impact for Northrop Grumman programs in the near term, except in the area of shipbuilding. However, spending continues to increase year-over-year, and with our continued strong performance in every segment of our business I am confident that we will be well positioned to succeed, whatever the priorities set by our customers and Congress.

We remain intensely focused on operations throughout the company, and as I have reported to you previously, we are pleased with the progress of our enterprise-wide Achieving Competitive Excellence (ACE) effort, launched last fall to help us take our company to the next level of performance. ACE initiatives are focusing on key areas of our business with the intention of driving more competitive cost structures, leveraging the strength of the company's portfolio, and assuring that we have the flexibility to respond to market changes.

In all, I remain optimistic about the future. Today we reaffirmed to Wall Street that for 2005 we expect to grow sales to between \$31 and \$31.5 billion and generate net cash from operations of \$2.2 to \$2.5 billion. And, we now expect to increase 2005 earnings per diluted share from continuing operations to between \$3.70 and \$3.85, versus previous guidance of \$3.60 to \$3.75. For 2006, we expect sales growth to between \$32 and \$33 billion, and earnings per diluted share from continuing operations to increase, on a percentage basis, at a solid double-digit rate. The 2006 guidance reflects the company's present understanding of the U.S. Navy's acquisition strategy for the DD(X), future transformational surface combatant.

This quarter's results reflect the operational and financial strength we are driving at Northrop Grumman, and I thank you for your efforts contributing to our continuing success. I look forward to working with you to meet our challenges head on and achieve great strides for Northrop Grumman in 2005 and beyond.



Ronald D. Sugar
Chairman, CEO and President

RANGER P/U BED TRLR \$200 365-8825
SET GOLF CLUBS GOLDEN BEAR \$275 327-2684 A/5
SUBWOOFER BOX-FITS 2 12" SUBS \$50 251-654-1909
SUMMER AND WINTER CLOTHES S-XL LIKE NEW 990-6630
TABLE/CHAIRS \$300 218-3430
TAURUS 357 MAG 8 SHOT 4" BLUE NEW \$275 327-2684
TEXAS SMOKER \$30 872-4364
THOMSON CTR NEW ENGLANDER 50 CA \$100/OBO 762-2389
TILLER HYSO 8HP LK NEW \$800 588-3324

MOTORCYCLES/BIKES

96 CUSTOM SPORTSTER EXTRAS \$7500 623-2096
97 HONDA MAGNA 750 MUST SELL \$3000 826-5580 LVG MSG
98 YAMAHA TITIMERWOLF GOOD SHAPE \$1500 588-0641
99 YAMAHA V-STAR 650 LO MI 826-5359
YAMAHA 4-WHLR 80CC EXC \$800 601-947-4674
02 DIRT BIKE 125 W/RIDING GEAR \$2100 392-3502

SERVICES/ANNOUNCEMENTS

CATERING ANY OCCASION FOR 100 OR MORE 762-6762
DJ/KARAOKE SERVICES ALL OCCASIONS 218-4514

ELECTRICIAN LICENSED/INSURED 228-588-4897
FIRST ANNUAL 14U FAST PITCH GOLF TOURNAMENT
JUNE 18 2005 8 AM SHOTGUN WHISPERING PINES
ON HWY 613 \$45 A PLAYER 475-6894 OR X6374
GRAD/END OF SCHOOL PARTIES - DJ SERVICES 218-4514
HOME MORTGAGES EXC RATES 872-9305
HOUSE CLEANING REF AVAILABLE 990-6404
HOUSE CLEANING SERVICES REF AVAIL 366-0030
LAWN CARE & WINDOW CLEANING 218-5724
LAWN SERVICES PAS-POINT AREA 769-2464
NATURAL ALTERNATIVES: HYDRATION ARTHRITIS
DIABETES HIGH BLOOD PRESSURE HIGH CHOLESTEROL
MENOPAUSE WEIGHT LOSS ETC. 228-547-8952
VINYL SIDING INSTALLATION 601-947-7554
WEDDING/SPORTS PHOTOS 475-6873/623-3532

LOST/FOUND

RING FOUND OUTSIDE OF GATE 2 475-3558

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